



**STATEMENT OF PROCEEDINGS
FOR THE REGULAR MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012**

Thursday, April 25, 2013

10:30 AM

AUDIO LINK FOR THE ENTIRE MEETING. (13-2052)

Attachments: [AUDIO](#)

Present: Chair Dorinne Jordan, Member Genie Chough and Member Lori Glasgow

Absent: Vice Chair Carl Gallucci, Member Louisa Ollague

Call to Order. (13-1708)

The meeting was called to order by Chair Dorinne Jordan at 10:45 a.m.

I. ADMINISTRATIVE MATTER

1. Approval of the March 28, 2013 meeting minutes. (13-1709)

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. SUNSET REVIEW

2. Recommend to the Board of Supervisors to extend the Los Angeles County Commission on Insurance's sunset review date to March 31, 2017 (4/5/13). (13-1763)

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. BOARD POLICIES

3. Recommendation to approve amendments to Board Policy No. 9.101 - Sexual Harassment Prevention Training for County Employees and extend the sunset review date to May 21, 2018 (4/5/13). (13-1764)

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

4. Recommendation to approve amendments to Board Policy No. 5.140 - Oversight of Construction Contractors and extend the sunset review date to May 21, 2017 (4/18/13). (13-1926)

On motion of Chair Dorinne Jordan, seconded by Genie Chough, this item was continued to May 23, 2013.

Attachments: [SUPPORTING DOCUMENT](#)

IV. BOARD DELEGATED AUTHORITIES

5. Recommendation to extend the sunset review date of Board Delegated Authority Policy No. 20.090 - Approval of Contracts to June 30, 2017 (4/2/13). (13-1680)

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

6. Recommendation to extend the sunset review date of Board Delegated Authority No. 20.170 - Contract for Legal Services to June 30, 2017 (4/4/13). (13-1831)

Items 7, 11, 12, 13 and 14 were discussed jointly under item 6.

In response to Chair Dorinne Jordan, Lupe Duron, Commission Services, explained that the last review of the Board Delegated Authorities (BDA) took place in October, 2009; moving forward historical review dates will be included for reference. Generally, BDAs are reviewed every four to five years.

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

7. Recommendation to extend the sunset review date of Board Delegated Authority No. 20.120 - Review, Compromise or Settle Claims to June 30, 2017 (4/8/13). (13-1791)

This policy was discussed with item no. 6.

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

8. Recommendation to approve revisions and extend the sunset review date of Board Delegated Authority No. 20.100 - Budget Adjustments to June 30, 2017 (4/11/13). (13-1853)

Jim Schneiderman, Auditor-Controller (A-C), highlighted that there is an error with the Board Delegated Authority No. 20.100

On motion of Genie Chough, seconded by Chair Dorinne Jordan, this item was continued to May 23, 2013.

Attachments: [SUPPORTING DOCUMENT](#)

9. Recommendation to extend the sunset review date of Board Delegated Authority No. 20.190 - Agreements with Nonprofit Support Organizations to June 30, 2018 (4/18/13). (13-1887)

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

10. Recommendation to approve revision and extend the sunset review date of Board Delegated Authority No. 20.200 - Golf Greens Fees to June 30, 2018 (4/18/13). (13-1888)

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

11. Recommendation to extend the sunset review date of Board Delegated Authority No. 20.130 - Acceptance of Condominium Conversion Settlement Fees (4/19/13). (13-1965)

This policy was discussed with item no. 6.

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

12. Recommendation to allow expiration of the sunset review date of Board Delegated Authority No. 20.140 - Acquire Distressed or Deteriorated Properties/Rehabilitation and Sale (4/19/13). (13-1966)

This policy was discussed with item no. 6.

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

13. Recommendation to approve revisions and extend the sunset review date of Board Delegated Authority No. 20.150 - Purchase Real Property Using Block Grant Funds (4/19/13). (13-1967)

This policy was discussed with item no. 6.

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

14. Recommendation to extend the sunset review date of Board Delegated Authority No. 20.160 - Purchase Real Property Using Housing Authority Funds (4/19/13). (13-1968)

This item was discussed with item no. 6.

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

V. OLD BUSINESS

15. Recommendation to approve amendments to Board Policy No. 5.110 - Contract Language to Assist in Placement Activities, and extend the sunset review date to March 18, 2017 (2/13/13) (Continued from meetings of 2/28/13 and 3/28/13). (13-0865)

Shawn Atin, Department of Human Resources, referenced questions posed at the March 28, 2013 Audit Committee meeting with regard to changes to this Board Policy and reported that the changes are being requested to reduce liability factors.

Marc Shartzter, DHR, reported that although there are currently no lawsuits directly linked to this policy, the possibility exists. County Counsel was not involved in determining risk factors.

Dorinne Jordan requested that this item be continued, and a County Counsel representative be invited to the next Audit Committee meeting.

DHR staff responded to questions posed by Genie Chough with regard to the merit behind the deletion of language in the Board Policy.

On motion of Lori Glasgow, seconded by Genie Chough, this item was continued to May 23, 2013.

Attachments: [SUPPORTING DOCUMENT](#)

- 16.** Recommendation to approve amendments to Board Policy No. 7.100 - Identity Theft Prevention Program and extend the sunset review date to March 31, 2017 (3/21/13) (Continued from meeting of 3/28/13). (13-1496)

Genie Chough noted that there are a few grammatical errors in the policy that need to be corrected when it is updated.

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

- 17.** AIDS Healthcare Foundation, Inc. - A Department of Public Health HIV/AIDS care and Prevention Service Contract Provider (8/16/12) (Continued from meetings of 10/25/12, 12/12/12, 1/24/13, 2/28/13 and 3/28/13). (12-3883)

On motion of Chair Dorinne Jordan, seconded by Genie Chough, this item was continued to May 23, 2013.

Attachments: [SUPPORTING DOCUMENT](#)

- 18.** Office of the Assessor - Review of Business Operations (Board Agenda Item 36-A, April 10, 2012) (1/18/13) (Continued from meetings of 2/28/13 and 3/28/13). (13-0492)

Santos Kreimann, Chief Deputy Assessor, introduced Steve Hernandez, newly appointed Administrative Deputy and Sharon Moller, Assistant Assessor.

Mr. Hernandez reported that all of the recommendations are anticipated to be implemented by the end of the calendar year and most challenges are presented by the lack of fiscal and human resources staff.

In response to questions posed by Chair Dorinne Jordan, Mr. Kreimann emphasized that a conscientious approach be put in practice when dealing with potential risk management issues.

Genie Chough expressed concern regarding procurement recommendations that were not implemented or partially implemented.

Steve Hernandez reported that all financial activities now require his signature and there will be no more split purchases and sole sources. A new Human Resources pilot system has been put in place to process mileage.

Mr. Kreimann added that a process to implement an application for use with an iPad to track mileage is also underway.

Steve Hernandez added that his office is working towards filling a budgeted Departmental Finance Manager II position.

Genie Chough questioned whether surplus Information Technology (IT) positions can be transformed into management positions to create internal controls.

Santos Kreimann reported that transforming IT positions does not seem feasible at the moment considering the initiative to acquire a new replacement for the legacy system and the need for IT personnel at the time. Data conversion represents a challenge for the new system.

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 19.** Probation Department Juvenile Halls Department of Justice Settlement Agreement Follow-Up Review (1/31/13) (Continued from meetings of 2/28/13 and 3/28/13). (13-0670)

Don Chadwick, A-C, reported that this item is part of ongoing reviews and a follow-up review is in the process with a report anticipated to be submitted by mid-summer. The report will reflect the status of the recommendations.

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

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20. Department of Public Social Services - Chicana Service Action Center, Inc. Contract Extension and Solicitation Disqualification Review (2/12/13) (Continued from meetings of 2/28/13 and 3/28/13). (13-0850)

On motion of Genie Chough, seconded by Chair Dorinne Jordan, this item was continued to May 23, 2013.

Attachments: [SUPPORTING DOCUMENT](#)

21. Chinatown Service Center - A Department of Children and Family Services, Health Services, Community and Senior Services, and Probation Department Contract Service Provider - Contract Compliance Review - Fiscal Years 2010-11 and 2011-12 (2/28/13) (Continued from meeting of 3/28/13). (13-1222)

As a result of inquiries posed by Genie Chough with regard to pending questioned costs for the agency, Don Chadwick, Auditor-Controller, reported that all of the recommendations have been resolved with the Department of Children and Family Services, Department of Health Services and Probation. The Department of Community and Senior Services scheduled a May 6, 2013 meeting with the agency to address issues.

Chair Dorinne Jordan referenced the recommendation to recover questioned costs on fee-for-service contracts and expressed concern about this being a broader issue affecting other County contracts.

Don Chadwick, A-C, reported that this issue is one that affects contracts County-wide and if a contract being reviewed does not have a provision to allow the recovery of fee-for-service, the recommendation will be added to the Audit report.

On motion of Chair Dorinne Jordan, seconded by Genie Chough, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

- 22.** West San Gabriel Valley Consortium dba Career Partners - A Community and Senior Services' Workforce Investment Act Program Contract Service Provider - Contract Compliance Review - Fiscal Year 2011-12 (3/4/13) (Continued from meeting of 3/28/13). (13-1220)

In response to Genie Chough, Don Chadwick, Auditor-Controller stated that the Department of Community and Senior Services will be able to provide further information on the issue of the \$70,000 cost in question at the next Audit Committee meeting.

On motion of Genie Chough, seconded by Chair Dorinne Jordan, this item was continued to May 23, 2013.

Attachments: [SUPPORTING DOCUMENT](#)

- 23.** Semi-Annual Fraud Hotline Status Report - July 1, 2012 through December 31, 2012 (3/8/13) (Continued from meeting of 3/28/13). (13-1318)

Chair Dorinne Jordan posed a question with regard to tracking Civil Service Commission cases and follow-ups to determine the status of such cases.

Guy Zelenski, Auditor-Controller (A-C), stated that follow-ups are conducted with the departments and are noted in the report.

Discussion ensued on different scenarios with regard to possible civil service cases and how such cases are processed. In addition, possible reasons why some Departments are frequently present in the report and how the report may become more useful to deter future cases.

Lori Glasgow expressed her discontent with the information reflected in the report and questioned whether it can be used as a tool to deter cases. A request was made to have A-C staff provide a status for those departments that reflect a significant amount of cases, in August 2013, prior to the issuance of the final report.

On motion of Lori Glasgow, seconded by Genie Chough, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

24. Federal Department of Homeland Security Grant Sub-Recipient Monitoring for Grant Year 2007 (3/8/13) (Continued from meeting of 3/28/13). (13-1319)

In response to Genie Chough, Don Chadwick, Auditor-Controller, explained that grant monitoring is on-going and only reviewed when the grant has expired.

In response to Chair Dorinne Jordan, Mr. Chadwick stated that the Federal government has not requested repayment of grant money.

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

25. Center for Health Justice, Inc. - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (3/13/13) (Continued from meeting of 3/28/13). (13-1393)

This item was discussed with item no. 30

Don Chadwick, Auditor-Controller, reported that the agency has provided Department of Public Health additional documentation to support payroll costs that are being reviewed and disallowed costs are expected to decrease.

On motion of Genie Chough, seconded by Chair Dorinne Jordan, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

26. Community and Senior Services - Reviews of Workforce Investment Act Summer Youth Employment Program Service Providers - FY 2012-2013 Summary Report (3/20/13) (Continued from meeting of 3/28/13). (13-1459)

On motion of Genie Chough, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

VI. REPORTS

27. 2011-2012 County's Single Audit Report (3/29/13). (13-1852)

On motion of Genie Chough, seconded by Lori Glasgow, this item was continued to May 23, 2013.

Attachments: [SUPPORTING DOCUMENT](#)

28. City of Long Beach - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (4/3/13). (13-1731)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

29. Wings of Refuge Family Service Agency - A Department of Public Social Services Community Services Block Grant Program Provider - Contract Compliance Review (4/4/13). (13-1727)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

30. Bienestar Human Services, Inc. - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (4/4/13). (13-1734)

This item was discussed jointly with item 25.

In response to Genie Chough, Don Chadwick A-C, stated that the Department of Public Health continues to work with the agency and will send out a reminder letter in an attempt to collect the money owed.

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

31. Weingart Center Association - A Department of Public Social Services General Relief Opportunities for Work Program Provider - Contract Compliance Review (4/4/13). (13-1735)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

32. Internal Controls Over the Migration to Online Remote Deposits (4/5/13). (13-1755)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

33. Department of Health Services' Community Health Plan Financial Audit for the Years Ended June 30, 2011 and 2012 (4/8/13). (13-1785)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

34. Treasurer's February 11, 2013 Cash Count (4/12/13). (13-1857)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

35. Common Ground - The Westside HIV Community Center - A Department of Public Health HIV/AIDS Prevention and Care Services Provider - Contract Compliance Review (4/17/13). (13-1895)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

36. District Attorney's Asset Forfeiture Fund (4/19/13). (13-1958)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

37. For The Child - A Department of Mental Health Contract Service Provider - Contract Compliance Review (4/19/13). (13-1964)

On motion of Genie Chough, seconded by Lori Glasgow, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

38. Contract Monitoring Practices (Continued from meetings of 2/28/13 and 3/28/13). (13-0959)

On motion of Genie Chough, seconded by Chair Dorinne Jordan, this item was continued to May 23, 2013.

VII. DISCUSSIONS

39. Board-Ordered Audit Funding. (13-1894)

On motion of Chair Dorinne Jordan and by common consent, this item was taken off calendar and referred to the budget deputy agenda for discussion.

40. Fiscal Year 2012-2013 Cash Flow Projection (4/19/13). (13-1946)

There were no matters discussed on this item.

Attachments: [SUPPORTING DOCUMENT](#)

41. Pending Audits/Monitoring Reports. (13-1710)

There were no matters discussed on this item.

VIII. MISCELLANEOUS

42. Matters not on the posted agenda (to be Presented and Placed on the Agenda of a Future meeting). (13-1711)

- 42a. **Discussion and approval of a new Audit Committee schedule of meetings.**

43. Public Comment. (13-1712)

No members of the public addressed the Commission.

44. Adjournment. (13-1713)

There being no further business to discuss, the meeting adjourned at 11:54 a.m.